



**Sharon Grierson MP
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Manufacturing: Today and Tomorrow

Ms GRIERSON (Newcastle) (5.16 p.m.)—The House of Representatives Standing Committee on Economics, Finance and Public Administration's report *Australian manufacturing: today and tomorrow* is a very important report that looks at our manufacturing sector today and, as it says, where we would like it to be post the current economic boom.

The report details the large reductions in protection, the challenges from China and the high exchange rate associated with the resources boom, which have all been experienced by the manufacturing industry. With regard to challenges from China, I would like to put on the record my appreciation for an excellent report undertaken this year by a parliamentary intern in my office, Auneesh Kishore. Auneesh's report entitled *Australian manufacturing: challenges and opportunities from the rise of China* also came to some of the conclusions that our committee report does, particularly the need for a culture of innovation in R&D and the need to address skills shortages.

The opportunity for Australia to compete with nations like China by investing in high-end, quality manufacturing is a real one, but we need specific investment, innovation and skills, just as there are opportunities for Australian manufacturers to be assisted by policy in setting up plants in China, aiding quality and supply control for manufactured goods already being imported into Australia.

The committee's first recommendation seems quite basic: that the government develop a strategic Australian manufacturing policy, including regional strategies to supplement existing industry policy. Regional strategies would certainly assist in my electorate of Newcastle to give direction and certainty to regional businesses which have extended into knowledge based manufacturing following the closure of BHP in Newcastle.

I also note the report's recommendation that the Australian Industry Productivity Centres initiative be finetuned, including ensuring that Australian regions are sufficiently resourced and that there is one centre in every large manufacturing region. Regrettably, the current government's plan will establish five centres in five capital cities. I prefer the committee's recommendation to spread these centres to regional Australia, and I would advocate one for Newcastle.

The committee makes several recommendations to improve what we were told is an underdeveloped venture capital market in Australia. With a strong venture capital

market in place we could commercialise more of our innovative research breakthroughs—something that we historically have not been good at. On a recent study tour of the United States I saw firsthand how venture capital is helping to commercialise that country's sustainable energy industries. So I strongly advocate the development of venture capital opportunities for investment in sustainable energy, particularly in my region of Newcastle.

I take this opportunity to congratulate a local consortium of Newcastle University, the Hunter Area Consultative Committee, Shelston IP and Forsyths for setting up the Hunter Founders Forum, with initial leadership from Neville Sawyer, to assist venture capital and service support for local businesses and initiatives.

Other recommendations in the report go to the importance of science education, with the finding that science education is experiencing a decline in terms of student take-up, quality of teaching and relevance of curricula. As well as the recommendations in the report, I would like to commend the Labor Party's approach to HECS relief for maths and science students.

Skills exchanges and training partnerships between researchers, educational facilities and businesses were also highlighted as being of great importance. In my region, we collaborate extremely well in the manufacturing area. HunterNet, Australian Industry Group, University of Newcastle, CSIRO, HunterTech, Hunter Group Training, Hunter TAFE, local businesses and training providers have proven the worth of this, particularly with skills shortages and knowledge transfers. We have also made recommendations in our report on grant processes, the R&D tax concession and the establishment of a dedicated manufacturing advisory panel. Personally I would like to see the advisory panel also look at manufacturing capability in Australia to develop and maintain leading-edge technology.

The focus that this report brings to the future of our manufacturing sector is as important as it is timely. We are optimistic about the future of the industry. There are great challenges but there are also great opportunities. I commend to the House this report, which attempts to seriously show the way in seizing some of those opportunities.

I also take this opportunity to thank the committee secretariat once more for their hard work and dedication. I thank the chair and deputy chair for their leadership, and the other committee members for their contributions. We have now completed two inquiries looking into two very important sectors—manufacturing and services. I believe the results, if followed, will certainly lead to prosperity in this nation.